

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13											
Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11	<input type="checkbox"/>	Base Reduction Item FY 2010-11 <input type="checkbox"/>			Supplemental FY 2009-10		<input checked="" type="checkbox"/>	Budget Amendment FY 2010-11		<input checked="" type="checkbox"/>	
Request Title:	Incremental Adjustments to Department Appropriations and Budget Requests to Reflect Enhanced Federal Medicaid Assistance Percentage										
Department:	Health Care Policy and Financing				Dept. Approval by:		John Bartholomew		Date:	March 1, 2010	
Priority Number:	S-16, BA-21				OSPb Approval:				Date:		
		1	2	3	4	5	6	7	8	9	10
		Prior-Year			Total		Decision/			Total	
		Actual	Appropriation	Supplemental	Revised	Base	Base	November 1	Budget	Revised	Change
	Fund	FY 2008-09	FY 2009-10	Request	Request	Request	Reduction	Request	Amendment	Request	from Base
				FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	(Column 5)
											FY 2011-12
Total of All Line Items	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	9,986,746	9,986,746	0	(192,394,435)	(192,394,435)	10,342,467	(182,051,968)	0
	GFE	0	0	(27,829)	(27,829)	0	(5,229)	(5,229)	0	(5,229)	0
	CF	0	0	27,296,670	27,296,670	0	(30,506,863)	(30,506,863)	(9,928,881)	(40,435,744)	0
	CFE/RF	0	0	(17,062)	(17,062)	0	(440,258)	(440,258)	0	(440,258)	0
	FF	0	0	(37,238,525)	(37,238,525)	0	223,346,785	223,346,785	(413,586)	222,933,199	0
(2) Medical Services Premiums; Long Bill Group Total	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	6,895,009	6,895,009	0	(155,589,245)	(155,589,245)	10,190,597	(145,398,648)	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	1,161,801	1,161,801	0	(20,127,432)	(20,127,432)	(9,906,068)	(30,033,500)	0
	CFE/RF	0	0	23,809	23,809	0	0	0	0	0	0
	FF	0	0	(8,080,619)	(8,080,619)	0	175,716,677	175,716,677	(284,529)	175,432,148	0
(3) Medicaid Mental Health Community Programs; Long Bill Group Total	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	364,646	364,646	0	(13,455,913)	(13,455,913)	166,588	(13,289,325)	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	303,588	303,588	0	(1,042,913)	(1,042,913)	(22,812)	(1,065,725)	0
	CFE/RF	0	0	68	68	0	0	0	0	0	0
	FF	0	0	(668,302)	(668,302)	0	14,498,826	14,498,826	(143,776)	14,355,050	0
(4) Indigent Care Programs; Long Bill Group Total	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	818,187	818,187	0	(1,129,996)	(1,129,996)	0	(1,129,996)	0
	GFE	0	0	(27,829)	(27,829)	0	(5,229)	(5,229)	0	(5,229)	0
	CF	0	0	25,667,798	25,667,798	0	(8,213,616)	(8,213,616)	0	(8,213,616)	0
	CFE/RF	0	0	(92,225)	(92,225)	0	(52,767)	(52,767)	0	(52,767)	0
	FF	0	0	(26,365,931)	(26,365,931)	0	9,401,608	9,401,608	0	9,401,608	0

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13											
Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11	<input type="checkbox"/>	Base Reduction Item FY 2010-11	<input type="checkbox"/>	Supplemental FY 2009-10	<input checked="" type="checkbox"/>	Budget Amendment FY 2010-11	<input checked="" type="checkbox"/>				
<b>Request Title:</b>	Incremental Adjustments to Department Appropriations and Budget Requests to Reflect Enhanced Federal Medicaid Assistance Percentage										
<b>Department:</b>	Health Care Policy and Financing				<b>Dept. Approval by:</b>	John Bartholomew		<b>Date:</b>	March 1, 2010		
<b>Priority Number:</b>	S-16, BA-21				<b>OSPB Approval:</b>			<b>Date:</b>			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base
	Fund	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	Reduction	FY 2010-11	FY 2010-11	FY 2010-11	(Column 5)
(5) Other Medical Services; Long Bill Group Total	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	12,476	12,476	0	(254,429)	(254,429)	0	(254,429)	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	158,276	158,276	0	(1,055,273)	(1,055,273)	0	(1,055,273)	0
	CFE/RF	0	0	12,928	12,928	0	(174,430)	(174,430)	0	(174,430)	0
	FF	0	0	(183,680)	(183,680)	0	1,484,132	1,484,132	0	1,484,132	0
(6) Department of Human Services Medicaid-Funded Programs; Long Bill Group Total	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	1,896,428	1,896,428	0	(21,964,852)	(21,964,852)	(14,718)	(21,979,570)	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	5,207	5,207	0	(67,629)	(67,629)	(1)	(67,630)	0
	CFE/RF	0	0	38,358	38,358	0	(213,061)	(213,061)	0	(213,061)	0
	FF	0	0	(1,939,993)	(1,939,993)	0	22,245,542	22,245,542	14,719	22,260,261	0
<b>Non-Line Item Request:</b>	For FY 2009-10, this request is incremental to the following budget actions: ES-1, "Enhanced Federal Funding Adjustments"; ES-2, "Medicaid Program Reductions"; ES-4, "Reduce Funding for Indigent Care Programs"; ES-5, "Reduce Appropriation for Enhanced Federal Funds"; ES-6, "Medicaid Provider Rate Reduction"; NP-ES#3, "DHS - Increase State Capacity to 120% at State Commitment Facilities"; NP-ES#5, "DHS - Close 59 beds at the Colorado Mental Health Institute at Fort Logan"; NP-ES#6, "DHS - Reclassification of Licensing Category of Ridgeview Youth Services Center for Medicaid Billing"; NP-ES#7, "DHS - DDD Medicaid Waivers Provider Rate Retraction"; NP-ES#8, "DHS - Closure of 32 bed Nursing Facility at Grand Junction Regional Center"; NP-ES#9, "DHS - Reduction to the Child Welfare Services Block"										
<b>Letternote Revised Text:</b>	See Appendix A for cash funds and reappropriated funds totals.										
<b>Cash or Federal Fund Name and COFRS Fund Number:</b>	FF: Title XIX; See Appendix A for source of cash funds and reappropriated funds.										
<b>Reappropriated Funds Source, by Department and Line Item Name:</b>	See Appendix A for reappropriated fund sources.										
<b>Approval by OIT?</b>	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	N/A: <input checked="" type="checkbox"/>								
<b>Schedule 13s from Affected Departments:</b>	None.										

**CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE**

Department:	Health Care Policy and Financing
Priority Number:	S-16, BA-21
Change Request Title:	Incremental Adjustments to Department Appropriations and Budget Requests to Reflect Enhanced Federal Medicaid Assistance Percentage

**SELECT ONE (click on box):**

- ☐ Decision Item FY 2010-11  
☐ Base Reduction Item FY 2010-11  
☒ Supplemental Request FY 2009-10  
☒ Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment  
☐ An emergency  
☐ A technical error which has a substantial effect on the operation of the program  
☒ New data resulting in substantial changes in funding needs  
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department requests a net zero total funds adjustment to all line items affected by the enhanced Federal Medicaid Assistance Percentage in its FY 2009-10 and FY 2010-11 budget requests that includes: an increase of \$9,986,746 General Fund, a decrease of \$27,829 General Fund Exempt, and increase of \$27,296,670 cash funds, a decrease of \$17,062 reappropriated funds, and a decrease of \$37,238,525 federal funds in FY 2009-10; and, an increase of \$10,342,467 General Fund, a decrease of \$9,928,881 cash funds, and a decrease of \$413,586 federal funds in FY 2010-11. This request reflects incremental changes from the Department's appropriation and prior budget requests due to the enhanced Federal Medicaid Assistance Percentage (FMAP) that the State is receiving as a result of the American Recovery and Reinvestment Act of 2009 (ARRA).

Background and Appropriation History:

Not applicable.

General Description of Request:

This request adjusts the Department's FY 2009-10 and FY 2010-11 requests to account for the estimated level of enhanced federal funding the Department will receive as a result of the American Recovery and Reinvestment Act of 2009 (ARRA). The Department estimates that it will receive an enhanced federal medical assistance percentage (FMAP) of 61.59% for FY 2009-10 and the first two quarters of FY 2010-11.<sup>1</sup>

Included in the Department's November 6, 2009 FY 2010-11 budget request was a letter to the Joint Budget Committee in which the Department and the Office of State Planning and Budgeting committed to submitting a budget amendment to account for the enhanced FMAP at the line item level. The Department has provided that level of detail in the appendix of this request for informational purposes only. However, that level of detail is not being requested as it implies a degree of accuracy that cannot be defended at this time. Instead, this request has continued the Department's methodology to request adjustments at the Long Bill Group total. This request and all Department change requests that are impacted by the enhanced FMAP use an adjustment to the Long Bill Group total to account for the decrease in State funds and the increase in federal funds. Appendix B details the estimated funding change by line item. The Department and OSPB are committed to working with the Joint Budget Committee staff to make adjustments as needed.

Through the proposed methodology the Department has estimated the amount of enhanced federal funding for each line item based on the actual amount of federal funding the Department has received for medical assistance. However, in some cases, the estimate is based on FY 2007-08 actual expenditures, as actual expenditures for FY 2008-09 reflect a combination of three different federal financial participation rates because of the ARRA enhanced FMAP. The Department has continued to use FY 2007-08 actuals for the purpose of projecting expenditures since federal reporting for FY 2008-09, which includes the enhanced FMAP, was not completed in time to be included in this request. Because the FY 2010-11 base request is set in aggregate at the line item level and

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<sup>1</sup> The Department is guaranteed this FMAP rate for FY 2009-10 due to hold-harmless provisions in ARRA. See the "Assumptions for Calculations" section for further detail on this assumption for FY 2010-11.

contains many areas of expenditures with varying federal rates, it is not as accurate of a starting point as the use of actual expenditures in developing the estimate in this proposal.

The increase in federal funds, coupled with the need to submit budget-balancing actions in August 2009, have created an unprecedented level of complexity in properly accounting for all requested changes to the Department's base budget. The following requests (hereafter, "the ES requests") are affected, in whole or in part, by this request:

- ES-1, "Enhanced Federal Funding Adjustments"
- ES-2, "Medicaid Program Reductions"
- ES-4, "Reduce Funding for Indigent Care Programs"
- ES-5, "Reduce Appropriation for Enhanced Federal Funds"
- ES-6, "Medicaid Provider Rate Reduction"
- NP-ES#3, "DHS - Increase State Capacity to 120% at State Commitment Facilities"
- NP-ES#5, "DHS - Close 59 beds at the Colorado Mental Health Institute at Fort Logan"
- NP-ES#6, "DHS - Reclassification of Licensing Category of Ridgeview Youth Services Center for Medicaid Billing"
- NP-ES#7, "DHS - DDD Medicaid Waivers Provider Rate Retraction"
- NP-ES#8, "DHS - Closure of 32 bed Nursing Facility at Grand Junction Regional Center"
- NP-ES#9, "DHS - Reduction to the Child Welfare Services Block"

This request implicitly accounts for the following changes from the ES requests:

- In ES-1, "Enhanced Federal Funding Adjustments", the Department requested a reduction of \$11,054,304 General Fund, \$1,735,344 cash funds, and \$48,186 reappropriated funds, and a corresponding increase of \$12,837,834 federal funds, to account for a retroactive increase of the enhanced FMAP for the April – June 2009.<sup>2</sup> Subsequent to submitting that request, the Department was informed by the State

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<sup>2</sup> Totals by Long Bill Group are contained in Table 4 of ES-1, "Enhanced Federal Funding Adjustments", August 24, 2009.

Controller's Office that FY 2009-10 expenditures would not be offset. Rather, the increased federal funding would be applied to FY 2008-09 expenditures. Therefore, the reduction to the Department's appropriations for FY 2009-10 are unnecessary.

- In ES-5, "Reduce Appropriation for Enhanced Federal Funds", the Department incorrectly requested enhanced federal funding related to Disproportional Share Hospital (DSH) payments in the Safety Net Provider Payments line item. DSH payments do not qualify for the enhanced FMAP; this request reflects the removal of those funds from the calculations. In ES-5, the Department calculated a cash fund reduction of \$32,977,474 for the Safety Net Provider Payments line item (Appendix B, page B-1), with a corresponding increase in federal funds. In this request, the Department has revised this calculation to a total cash fund reduction of \$13,537,254 (Appendix B, page 5). This issue affected FY 2009-10 only, as ES-5 did not make any request for FY 2010-11. The Department's request for FY 2010-11 was contained in BRI-8, which corrected for the error.
- In ES-5, "Reduce Appropriation for Enhanced Federal Funds", the Department's calculation included a number of adjustments to ES-4, "Reduce Funding for Indigent Care Programs" that were not submitted as official budget actions. These adjustments are described fully in the Department's budget request S-18/BA-24, "Technical Adjustments to Department Early Supplemental Requests." In general, S-18/BA-24 requests adjustments to line items in the Department's Executive Director's Office, Medical Services Premiums, Indigent Care Program and Other Medical Services Long Bill groups that are necessary as a result of budget reductions that did not fully account for required reductions. To prevent double counting, the Department has removed the adjustments from the calculation of this request; those adjustments are officially requested in S-18/BA-24.
- In ES-5, "Reduce Appropriation for Enhanced Federal Funds", the Department's calculation for Medical Services Premiums overstated the reduction to General Fund and understated the reduction to the Health Care Expansion Fund. This was due to a technical error in Decision Item 1, "Request for Medical Services Premiums", and is

described fully in the narrative for Medical Services Premiums, Exhibit A, as part of S-1, "Request for Medical Services Premiums." The Department estimated the impact of this change as an increase to General Fund of \$14,709,432 in FY 2009-10, and \$8,149,586 in FY 2010-11, with corresponding decreases in Health Care Expansion Fund. This amount is calculated in S-1; however, the official request in S-1 (column 3 and column 8 on the schedule 13) does not include it, because S-1 does not make any request for the enhanced FMAP. Rather, the adjustment, along with all other funding related to the enhanced FMAP for Medical Services Premiums, is fully captured in this request.

In addition to the technical corrections specified above, the Department's request reflects new estimates for caseload and per capita cost for Medical Services Premiums and Medicaid Mental Health Community Programs. The incorporation of these estimates is described in greater detail below.

For FY 2009-10, this request calculates the incremental change from the reductions requested in the early FY 2009-10 supplemental requests as they were submitted in August and December 2009. For FY 2010-11, this request is incremental to the Department's original November 6, 2009, request for the enhanced FMAP, BRI-8, "Reduce Appropriation for Enhanced FMAP". Additionally, this request continues to assume that the enhanced-FMAP related annualizations of the August and December 2009 FY 2009-10 early supplemental requests have been superseded, as requested in BRI-8. Because the Department's calculations in Appendix B are based on the base request, counting the annualization value and this request would double count the reduction to state funds. The Department's Reconciliation Table accounts for the FMAP-related totals by annualizing the totals to zero.

The Department's calculations by line-item are contained in Appendix B. Because of the complexity of overlapping requests, the Department calculates the full reduction to each line-item from the enhanced FMAP, rather than the incremental reduction against each individual request. The incremental total by Long Bill Group for each fiscal year is then calculated in Appendix C.

Due to the complexity of the calculations, the estimates in this request for the Department's Long Bill Groups (2) Medical Services Premiums and (3) Medicaid Mental Health Community Programs are included in the Department's requests for those programs (see Supplemental/Budget Amendment 1, "Request for Medical Services Premiums", Exhibit A, and Supplemental/Budget Amendment 2, "Medicaid Mental Health Community Programs", Exhibit AA, respectively). The schedule 13s for those requests do not include any amount for the enhanced FMAP. While the total reductions are also shown in the exhibits for those requests, the reduction to state funds must only be taken once.

Of note, this request is not intended to supersede the enhanced FMAP components of the following requests:

- ES-7 and BRI-5, "Medicaid Payment Timing": The Department is submitting, concurrent with this request, an additional change request with new estimates of the impact of payment delays. Because this proposal requires new statutory authority, the impacts of those proposals have not been accounted for in the calculations of this change request.
- BRI-8, "Reduce Appropriation for Enhanced FMAP": Because this request is a base reduction item, the Department is only officially requesting the incremental total from BRI-8 in this request.

Finally, please note that this request does not include any amount related to the Department's other change requests not specified above. If other change requests are approved, the incremental totals for enhanced FMAP from those requests should be added to the final appropriation.

Consequences if Not Funded:

Not applicable.



Calculations for Request:

<b>Summary of Request FY 2009-10</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>Total Request</b>	<b>\$0</b>	<b>\$9,986,746</b>	<b>(\$27,829)</b>	<b>\$27,296,670</b>	<b>(\$17,062)</b>	<b>(\$37,238,525)</b>
(2) Medical Services Premiums	\$0	\$6,895,009	\$0	\$1,161,801	\$23,809	(\$8,080,619)
(3) Medicaid Mental Health Programs	\$0	\$364,646	\$0	\$303,588	\$68	(\$668,302)
(4) Indigent Care Program	\$0	\$818,187	(\$27,829)	\$25,667,798	(\$92,225)	(\$26,365,931)
(5) Other Medical Services	\$0	\$12,476	\$0	\$158,276	\$12,928	(\$183,680)
(6) Department of Human Services Medicaid-Funded Programs	\$0	\$1,896,428	\$0	\$5,207	\$38,358	(\$1,939,993)

<b>Summary of Request FY 2010-11</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>Total Request</b>	<b>\$0</b>	<b>\$10,342,467</b>	<b>\$0</b>	<b>(\$9,928,881)</b>	<b>\$0</b>	<b>(\$413,586)</b>
(2) Medical Services Premiums	\$0	\$10,190,597	\$0	(\$9,906,068)	\$0	(\$284,529)
(3) Medicaid Mental Health Programs	\$0	\$166,588	\$0	(\$22,812)	\$0	(\$143,776)
(4) Indigent Care Program	\$0	\$0	\$0	\$0	\$0	\$0
(5) Other Medical Services	\$0	\$0	\$0	\$0	\$0	\$0
(6) Department of Human Services Medicaid-Funded Programs	\$0	(\$14,718)	\$0	(\$1)	\$0	\$14,719

As described above, Appendix B calculates the total change to each line-item. For FY 2009-10, Appendix B starts with the Department's total FY 2009-10 appropriation plus the ES requests that the Department has submitted.<sup>3</sup> This accounts for the policy

<sup>3</sup> With the exception of ES-7, "Medicaid Payment Timing", for the reasons described previously in the request.

changes, such as rate reductions, that the Department has implemented as a result of budget balancing activities. For each line-item, the Department then calculates the total increase in federal funds by separating out the portion of the line item that receives medical assistance and inflating that amount to account for the enhanced FMAP. The Department then reduces the state funds by the estimated increase in federal funds, and distributes the reduction proportionally between state funds sources (General Fund, cash funds, and reappropriated funds, where applicable). The result is the total estimated change due to the enhanced FMAP.<sup>4</sup>

For FY 2010-11, the calculation is essentially the same. Because the Department does not have an FY 2010-11 appropriation, the Department begins with its base request from its reconciliation table, as of February 16, 2010, less any submitted decision item, base reduction item, or budget amendment. From that point, the calculation is the same as FY 2009-10.

As described above, Appendix B does not contain incremental calculations for the Medical Services Premiums or Medicaid Mental Health Community Programs Long Bill groups. The calculations for those requests are included in the Department's requests for those programs (see Supplemental/Budget Amendment 1, "Request for Medical Services Premiums", Exhibit A, and Supplemental/Budget Amendment 2, "Medicaid Mental Health Community Programs", Exhibit AA, respectively).

Appendix C shows the derivation of the incremental requests for both FY 2009-10 and FY 2010-11. Appendix D shows the sum of the current requests for each Long Bill Group.

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<sup>4</sup> The Department does not calculate the incremental request by line item for each ES request because of the complexity of the overlapping requests and the methodology of accounting for the enhanced FMAP in aggregate by Long Bill Group. If desired, the figures in Appendix B can be used as the total reduction to

Cash Funds Projections:

See Appendix A for impact by cash fund.

Cash Fund Name	Cash Fund Number	FY 2008-09 Expenditures	FY 2008-09 End of Year Cash Balance	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate
Colorado Autism Treatment Fund	18A	\$608,665	\$1,194,972	\$1,632,742	\$1,822,873	\$1,271,300
Health Care Expansion Fund	18K	\$94,003,143	\$119,601,623	\$81,320,908	\$34,980,659	(\$22,674,568)
Medicaid Nursing Facility Cash Fund	22X	\$16,410,618	\$5,193,602	\$5,193,602	\$5,193,602	(\$9,023,209)
Hospital Provider Fee Cash Fund	24A	-	-	-	-	-

Assumptions for Calculations:

The Department assumes that it will receive an FMAP rate of 61.59% for the first half of FY 2010-11. This is not certain; a component of the enhanced FMAP is based on the state's unemployment rate, as compared to prior periods; if the average state unemployment over a three-month period falls below 7.1%, the Department will receive a lower FMAP.

Appendix A summarizes the enhanced FMAP related adjustments for line items with cash funds or reappropriated funds that are decreased as a result of increased federal funds. Appendix A details the *total* change to each cash fund source or reappropriated funds source for each line item. These figures are consistent with the totals presented in Appendix B and Appendix C. Due to the complexity of overlapping requests, the Department does not present the incremental supplemental or budget amendment amounts that are shown on the schedule 13 (column 3 and column 8) by fund source. For both years, the aggregate incremental difference is calculated in Appendix C.

For FY 2009-10, the Supplemental Request (column 3) and the Total Revised Request (column 4) on the schedule 13 reflects the incremental difference between the sum of the Department's prior requests and this request. These totals are calculated on Appendix C,

the base plus the ES requests by replacing the values from the individual ES requests with the total values from Appendix B.

but will not match Appendix A. For FY 2010-11, the Total Revised Request (column 9) represents the total change to cash funds and reappropriated funds, and those totals are consistent with Appendix A.

Where applicable, additional assumptions have been noted in the narrative above. The Department has estimated projected expenditure and utilization based on historical information and assumptions about future changes in caseload or utilization. As actual experience with new programs is obtained, the Department would use the standard budget process to request adjustments to funding as appropriate.

Impact on Other Government Agencies:

The Department will transfer less General Fund to the Department of Human Services and the Department of Public Health and Environment as a result of the enhanced FMAP. The Department's calculations by line item are contained in Appendix B.

Cost Benefit Analysis:

Not applicable.

Implementation Schedule:

Not applicable

Statutory and Federal Authority:

*24-1-107, C.R.S. (2009). Internal organization of department - allocation and reallocation of powers, duties, and functions - limitations.*

In order to promote economic and efficient administration and operation of a principal department and notwithstanding any other provisions of law, except as provided in section 24-1-105, the head of a principal department, with the approval of the governor, may establish, combine, or abolish divisions, sections, and units other than those specifically created by law and may allocate and reallocate powers, duties, and functions to divisions, sections, and units under the principal department, but no substantive

function vested by law in any officer, department, institution, or other agency within the principal department shall be removed from the jurisdiction of such officer, department, institution, or other agency under the provisions of this section.

*25.5-1-104 (2) (4), C.R.S. (2009). Department of health care policy and financing created - executive director - powers, duties, and functions...*

(2) The department of health care policy and financing shall consist of an executive director of the department of health care policy and financing, the medical services board, and such divisions, sections, and other units as shall be established by the executive director ... (4) The department of health care policy and financing shall be responsible for the administration of the functions and programs as set forth in part 2 of this article.

Performance Measures:

Not applicable.